UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/895,092	03/22/2002	Louise J. Kitchen	ENR00/0136488	6745

23444 7590 12/29/2006
ANDREWS & KURTH, L.L.P.
600 TRAVIS, SUITE 4200
HOUSTON, TX 77002

EXAMINER
MERCHANT, SHAHID R

ART UNIT	PAPER NUMBER
3694	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	12/29/2006	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

	Application No.	Applicant(s)
Office Action Summary	09/895,092	KITCHEN ET AL.
	Examiner	**Art Unit**	
	Shahid R. Merchant	3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☐ Responsive to communication(s) filed on _____ .

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) *1-58* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) *1-58* is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☒ The drawing(s) filed on <u>22 March 2002</u> is/are: a)☒ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

        1.☐ Certified copies of the priority documents have been received.

        2.☐ Certified copies of the priority documents have been received in Application No. _____ .

        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO-SB/08)
    Paper No(s)/Mail Date *6/29/2001 and 1/9/2002* .

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____ .

DETAILED ACTION

Priority

1.   Examiner has given consideration to applicant's Provisional Application No.

60/215,471 filed on June 30, 2000 and 60/218,473 filed on July 14, 2000. For

examining purposes of this application, the effective filing date will be June 30, 2000.

2.   Examiner has given consideration to prior art, U.S. Patent Application Publication

No. 2001/0042040 that was filed on March 8, 2001. U.S. Patent Application Publication

No. 2001/0042040 is a continuation-in-part of application 09546031 filed on April 10,

2000. For examining purposes of this application, the effective filing date for U.S.

Patent Application Publication No. 2001/0042040 will be April 10, 2000.

3.   Examiner has given consideration to prior art, U.S. Patent Application Publication

No. 2003/0033212 that was filed on March 22, 2002. U.S. Patent Application

Publication No. 2003/0033212 is a continuation-in-part of application 09703198 filed on

October 31, 2000. U.S. Patent Application Publication No. 2003/0033212 is also a non-

provisional application of provisional application 60162873 filed on November 1, 1999.

For examining purposes of this application, the effective filing date for U.S. Patent

Application Publication No. 2001/0042040 will be November 1, 1999.

4.   Examiner has given consideration to prior art, U.S. Patent Application Publication

No. 2002/0032643 that was filed on March 14, 2002. U.S. Patent Application

Publication No. 2002/0032643 is a continuation-in-part of application 09454035 filed on

December 3, 1999. For examining purposes of this application, the effective filing date

for U.S. Patent Application Publication No. 2002/0032643 will be December 3, 1999.

Claim Rejections - 35 USC § 102

5.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6.   Claim 30, 31, 34-36, 39-41 and 43 rejected under 35 U.S.C. 102(e) as being

anticipated by May U.S. Patent No. 6,317,727 (see attached PTO-892, Ref. A).

7.   As per claim 30, May teaches a method for buying and selling goods and/or

services over a computer network, comprising the steps of:

providing a display over a computer network accessible by a plurality of

customers (see Figure 2, item 56, Figure 3 item 88, Figure 4, item 118 and column 12,

lines 51-52);

maintaining a list of bids and offers to buy or sell a good or service, wherein the

list is maintained using a stack manager software (see Figure 22A, column 12, lines 63-

67, column 13, lines 1-5 and column 30, lines 50-60);

displaying on the display the bid to buy the good or service and the offer to sell

the good or service (see Figures 15-17, 22 and column 9, lines 27-37);

receiving a signal over the computer network from a customer (see column 11,

lines 23-34 and column 14, lines 9-13);

buying or selling the good or service over the computer network in response to
the signal from the customer (see Figure 1, column 11, lines 23-34 and column 14, lines
9-13); and

replacing the displayed bid and offer with a second bid and offer automatically by
computerized steps after the step of buying or selling the good or service (see Figure
22A and column 53, lines 4-39).

8.   As per claim 31, May teaches the method of claim 30 as described above. May
further teaches wherein the step of replacing the displayed bid and offer with the second
bid and offer is accomplished by pushing the second bid and offer out over the
computer network to the display (see Figures 15-17, 22 and column 9, lines 27-37).

9.   As per claim 34, May teaches the method of claim 30 as described above. May
further teaches comprising establishing a list of bids, offers and quantities with a spread
between each bid and offer for the good or service prior to the beginning of a trading
session, and loading the list into the stack manager software prior to the beginning of
the trading session, wherein the step of automatically replacing the displayed bid and
offer with the second bid and offer is accomplished by displaying the next bid and offer
on the list after the displayed bid and offer is satisfied (see Figure 16, 22A and column
53, lines 4-39).

10.   As per claim 35, May teaches a method for a party to buy and sell goods and/or
services from and to a plurality of counterparties over a network of computers,
comprising the steps of:

maintaining an electronic marketplace for buying and selling the goods and services, the electronic marketplace comprising the network of computers (see Figure 1);

determining a bid price and an offer price at which the party is willing to buy or sell, respectively, a good or service (see Figures 14, 15, column 2, lines 22-26 and column 9, lines 15-29 and 40-43);

transmitting and displaying the determined bid price and offer price for the good or service over the network of computers to the plurality of counterparties (see Figures 15-17, 22 and column 9, lines 27-37);

sending a signal from a counterparty to the party over the network of computers (see column 11, lines 23-34 and column 14, lines 9-13); and

buying the good or service from or selling the good or service to the counterparty over the network of computers in response to the signal, wherein the party is a principal in all trades, and wherein multiple counterparties can buy and/or sell goods and/or services in the electronic marketplace in transactions with the party, but the counterparties cannot enter into transactions with each other or with third parties in the electronic marketplace (see Figure 1, column 11, lines 23-34 and column 14, lines 9-13)

11.   As per claim 36, May teaches the method of claim 35 as described above. May further teaches wherein the signal from a counterparty is an offer to buy or sell, further comprising:

determining a credit limit for each counterparty (see column 24, lines 34-44); and

evaluating a counterparty's offer to buy using a software adapted for such

purpose to determine whether accepting the offer would exceed the counterparty's

credit limit and not accepting the counterparty's offer if the counterparty's credit limit

would otherwise be exceeded (see column 35, lines 25-33 and 39-42).

12.   As per claim 39, May teaches the method of claim 35 as described above. May

further teaches wherein transactions are completed at the determined bid price or offer

price for the good or service, without negotiation, and wherein each good and/or service

is defined by attributes, the attributes including a product type (see column 18, lines 3-

27).

13.   As per claim 40, May teaches the method of claim 39 as described above. May

further teaches wherein the product type includes a designation of at least two

parameters selected from the group consisting of commodity and deal type (see Figure

16).

14.   As per claim 41, May teaches the method of claim 35 as described above. May

further teaches comprising:

maintaining a list of determined bid prices and offer prices in a stack manager

software, wherein the determined bid price and offer price that is transmitted and

displayed is from the list (see Figure 22A, column 12, lines 63-67, column 13, lines 1-5

and column 30, lines 50-60); and

after completing a transaction with a first counterparty, transmitting and

displaying a next-determined bid price and offer price that is on the list, wherein the

party uses the stack manager software to build, edit and maintain the list of determined

bid prices and offer prices, each bid and offer having an associated volume, quantity or

amount, and wherein the counterparties can see only one bid and offer price for each

good and service (see Figure 16, column 53, lines 4-39).

15.   As per claim 43, May teaches the method of claim 41 as described above. May

further teaches comprising resetting the next-determined bid price and offer price that is

on the list as a function of the bid or offer price of an immediately prior transaction (see

Figure 16, 22A and column 53, lines 4-39).

Claim Rejections - 35 USC § 103

16.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

17.   Claims 1-5, 9, 10, 14-16, 20-27, 29, 37, 38, and 49 rejected under 35 U.S.C.

103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 (see attached PTO-

892, Ref. A) in view of Himmelstein, U.S. Patent Application Publication 2002/0032643

(see attached PTO-892, Ref. G).

18.   As per claim 1, May teaches a method for a party to buy and sell goods and/or

services from and to a plurality of counterparties over a computer network, which

comprises: determining a bid price and an offer price at which the party is willing to buy

or sell, respectively, a good or service (see Figures 14 and 15, column 2, lines 22-26

and column 9, lines 15-29 and 40-43); providing the determined bid price and offer price

for the good or service to the plurality of counterparties over the computer network (see

Figures 15-17 and 22 and column 9, lines 27-37); receiving a signal from a counterparty

over the computer network (see column 11, lines 23-34 and column 14, lines 9-13) ; and

buying the good or service from or selling the good or service to the counterparty upon

receipt of the signal (see Figure 1, column 11, lines 23-34 and column 14, lines 9-13).

May does not explicitly teach wherein there is no requirement to pay a

commission to a third party based on this purchase or sale of the good or service.

Himmelstein teaches wherein there is no requirement to pay a commission to a third

party based on this purchase or sale of the good or service (see paragraph 130).

Therefore, it would have been obvious at the time the invention to combine the

teachings of May and Himmelstein and not pay commissions to a third party because

Himmelstein's system can undercut traditional stock exchanges in price and speed by

eliminating third party brokers and specialist from the trading process as taught by

Himmelstein (see paragraph 130).

19.   As per claim 2, May and Himmelstein teach the method of claim 1 as described

above. May further teaches maintaining a list of determined bid prices and offer prices,

wherein the determined bid price and offer price that is provided is from the list (see

Figure 22A, column 12, line 63, column 13, line 5 and column 30, lines 50-60); and after

completing the transaction with the counterparty, providing the next determined bid

price and offer price that is on the list so that a next determined bid price and offer price

is displayed to the plurality of counterparties nearly immediately (see Figure 16 and

column 53, lines 4-39).

20.   As per claim 3, May and Himmelstein teach the method of claim 2 as described

above. May further teaches wherein a stack manager software is used to maintain the

list of determined bid and offer prices, and wherein the stack manager software

provides an interface and capability to the party for creating, viewing and editing the list

of determined bid prices and offer prices and associating a volume or quantity for each

determined bid price and offer price for each good and/or service (see Figure 16 and

column 53, lines 4-39).

21.   As per claim 4, May and Himmelstein teach the method of claim 3 as described

above. May further teaches wherein the stack manager software is capable of linking

the list of determined bid prices and offer prices for one good or service with the list of

determined bid prices and offer prices for another good or service, further comprising

changing the determined bid prices and offer prices for one good or service in response

to changes in the determined bid prices and offer prices for another good or service

(see column 19, line 47).

22.   As per claim 5, May and Himmelstein teach the method of claim 4 as described

above. May further teaches wherein the link is a basis link such that a first good or

service serves as a basis for a second good or service, and wherein a constant

difference is maintained between the first and second as the price of the first good or

service changes (see column 52, lines 24-45).

23.   As per claim 9, May and Himmelstein teach the method of claim 1 as described

above. May does not explicitly teach comprising: after completing the transaction with

the counterparty at a first determined bid price or offer price, providing a second

determined bid price and offer price, wherein a spread is maintained between the bid

and offer prices, and wherein the first determined bid or offer price becomes the

midpoint of the spread between the second determined bid and offer price. These steps

are business choices and practices (e.g., stock prices are changing second by second

based on the bid/offer of the dealers and how much profit/loss they a willing to accept).

It would have been obvious at the time the invention was made to a person of

ordinary skill in the art to modify the disclosure of May and include spread as midpoint

and wherein the next-determined bid price and offer price for a good or service is

selected as the value of a last-transacted bid or offer price of that good or service plus

or minus an offset to establish as market price with smallest price difference between

the buy and sell price to allow more traders to use the invention.

24.   As per claim 10, May and Himmelstein teach the method of claim 1 as described

above. May does not explicitly teach comprising: after completing the transaction with

the counterparty at a first determined bid price or offer price, providing a second

determined bid price and offer price, wherein a spread is maintained between the bid

and offer prices, and wherein the second determined bid or offer price is set relative to

the first determined bid or offer price plus or minus an offset. These steps are business

choices and practices (e.g., stock prices are changing second by second based on the

bid/offer of the dealers and how much profit/loss they a willing to accept).

It would have been obvious at the time the invention was made to a person of

ordinary skill in the art to modify the disclosure of May and include spread as midpoint

and wherein the next-determined bid price and offer price for a good or service is

selected as the value of a last-transacted bid or offer price of that good or service plus

or minus an offset to establish as market price with smallest price difference between

the buy and sell price to allow more traders to use the invention.

25.   As per claim 14, May and Himmelstein teach the method of claim 1 as described

above. May further teaches comprising determining a market risk for a good or service

associated with price volatility for the good or service, and further comprising the party

limiting trading with a counterparty to an amount of credit that the party is willing to

extend to the counterparty (see column 24, lines 34-44).

26.   As per claim 15, May and Himmelstein teach the method of claim 1 as described

above. May further teaches comprising determining and monitoring a credit limit for

each of the plurality of counterparties, and further comprising suspending trade with a

counterparty whose credit limit has been reached (see column 35, lines 25-33 and 39-

42).

27.   As per claim 16, May and Himmelstein teach the method of claim 15 as

described above. May further teaches comprising determining and monitoring an

available headroom for each of the plurality of counterparties, the available headroom

being the credit limit minus accumulated credit exposure (see abstract, column 1, lines

63-67, column 2, lines 1-5, 24-39).

28.   As per claim 20, May and Himmelstein teach the method of claim 1 as described

above. May further teaches wherein each good and/or service is defined by attributes,

the attributes including a product type (see column 18, lines 3-27).

29.   As per claim 21, May and Himmelstein teach the method of claim 20 as

described above. May further teaches wherein the product type includes a designation

of at least two parameters selected from the group consisting of commodity (see Figure

16).

30.   As per claim 22, May and Himmelstein teach the method of claim 21 as

described above. May further teaches wherein the attributes include a reference period

and a unit price (see column 18, lines 43-58 and Figure 16).

31.   As per claim 23, May and Himmelstein teach the method of claim 22 as

described above. May further teaches wherein additional attributes can be selected to

identify a good of service, and wherein the additional attributes are selected from the

group consisting of a strike price (see column 18, lines 46-48 and Figure 16).

32.   As per claim 24, May and Himmelstein teach the method of claim 23 as

described above. May further teaches comprising adding a product to the goods and/or

services using a product manager software, wherein the product manager software is

used for identifying a product by designating its attributes (see column 10, lines 36-48

and column 18, lines 43-58).

33.   As per claim 25, May and Himmelstein teach the method of claim 1 as described

above. May further teaches wherein the signal transmitted by the counterparty is

encrypted for maintaining security of transactions, and wherein the signal is decrypted

by the party (see column 11, lines 52-54).

34.   As per claim 26, May and Himmelstein teach the method of claim 25 as

described above. May further teaches wherein a secure socket layer software is used

for the encryption (see column 13, lines 8-13).

35.   As per claim 27, May and Himmelstein teach the method of claim 1 as described

above. May further teaches wherein the determined bid price and offer price is pushed

from the party's computer system to the counterparty's computer system over the

computer network (see Figures 15-17, 22 and column 9, lines 27-37), and wherein the

determined bid price and offer price is updated on a counterparty's computer monitor

without intervention by the counterparty (see column 16, lines 57-62).

36.   As per claim 29, May and Himmelstein teach the method of claim 1 as described

above. May further teaches wherein a single determined bid and offer price is displayed

for a good or service on a take-it-or-leave-it basis, and wherein a transaction is

completed at the single determined bid or offer price without negotiation (see column

35, lines 60-64).

37.   As per claim 37, May teaches the method of claim 36 as described above. May

does not explicitly teach wherein there is no requirement to pay a commission to a third

party.

    Himmelstein teaches wherein there is no requirement to pay a commission to a

third party (see paragraph 130).

    Therefore, it would have been obvious at the time the invention to combine the

teachings of May and Himmelstein and not pay commissions to a third party because

Himmelstein's system can undercut traditional stock exchanges in price and speed by

eliminating third party brokers and specialist from the trading process as taught by

Himmelstein (see paragraph 130).

38.   As per claim 38, May and Himmelstein teach the method of claim 37 as

described above. May further teaches wherein transactions are completed at the

determined bid price or offer price for the good or service, without negotiation (see

column 35, lines 60-64).

39.   As per claim 49, May teaches the method of claim 48 as described below. May

does not explicitly teach wherein no commission is paid to a third party on a transaction

(see paragraph 130).

        Himmelstein teaches wherein no commission is paid to a third party on a

transaction (see paragraph 130).

        Therefore, it would have been obvious at the time the invention to combine the

teachings of May and Himmelstein and not pay commissions to a third party because

Himmelstein's system can undercut traditional stock exchanges in price and speed by

eliminating third party brokers and specialist from the trading process as taught by

Himmelstein (see paragraph 130).

40.   Claim 6 rejected under 35 U.S.C. 103(a) as being unpatentable over May, U.S.

Patent No. 6,317,727 (see attached PTO-892, Ref. A) in view of Himmelstein, U.S.

Patent Application Publication 2002/0032643 (see attached PTO-892, Ref. G) and in

further view of Madoff et al., U.S. Patent Application Publication 2001/0044767 (see

attached PTO-892, Ref. C).

41.   As per claim 6, May and Himmelstein teach the method of claim 4 as described
above. May does not explicitly teach completing transaction in the second good or
service after completing a transaction in the first good or service.

Madoff teaches completing transaction in the second good or service after
completing a transaction in the first good or service (see paragraphs 32 and 33).

Therefore, it would have been obvious to a person of ordinary skill in the art at
the time of the invention to combine the teachings of May, Himmelstein and Madoff to
complete a second transaction after completing a first transaction because automating
the process allows for orders to be matched immediately rather then at specified times
during the day as taught by Madoff (see paragraph 11).

42.   Claim 7, 8, 11, 12, 42 and 46 rejected under 35 U.S.C. 103(a) as being
unpatentable over May, U.S. Patent No. 6,317,727 (see attached PTO-892, Ref. A) in
view of Himmelstein, U.S. Patent Application Publication 2002/0032643 (see attached
PTO-892, Ref. G) and further in view of Potter et al., U.S. Patent No. 5,787,402 (see
attached PTO-892, Ref. B).

43.   As per claim 7, May and Himmelstein teach the method of claim 4 as described
above. May and Himmelstein do not explicitly teach wherein the stack manager
software is capable of providing a syncopated link between first and second lists of
determined bid prices and offer prices, where a first list of determined bid prices and

offer prices for a good or service is linked with a second list of determined bid prices and offer prices for the same good or service, and wherein a transaction occurring in the good or service from the first list for a fixed amount or quantity of the good or service causes an equal change in the amount or quantity in the good or service in the second list.

Potter teaches wherein the stack manager software is capable of providing a syncopated link between first and second lists of determined bid prices and offer prices, where a first list of determined bid prices and offer prices for a good or service is linked with a second list of determined bid prices and offer prices for the same good or service, and wherein a transaction occurring in the good or service from the first list for a fixed amount or quantity of the good or service causes an equal change in the amount or quantity in the good or service in the second list (see column 14, lines 54-63).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Potter to allow orders to be linked and dependent on each other because it allows for a profit and loss analysis based on the difference in price of two goods as taught by Potter (see column 14, lines 64-67 and column 15, lines 1-3).

44.   As per claim 8, May, Himmelstein and Potter teach the method of claim 7 as described above. May and Himmelstein do not explicitly teach comprising linking the first list of determined bid prices and offer prices for the good or service to the determined bid price and offer price for a base good or service, wherein the price of the

base good or service serves as a basis for the bid price or offer price in the first list of determined bid prices and offer prices.

Potter teaches comprising linking the first list of determined bid prices and offer prices for the good or service to the determined bid price and offer price for a base good or service, wherein the price of the base good or service serves as a basis for the bid price or offer price in the first list of determined bid prices and offer prices. (see column 14, lines 54-63).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Potter to allow orders to be linked and dependent on each other because it allows for a profit and loss analysis based on the difference in price of two goods as taught by Potter (see column 14, lines 64-67 and column 15, lines 1-3).

45.   As per claim 11, May and Himmelstein teach the method of claim 1 as described above. May does not explicitly teach comprising: maintaining a list of determined bid prices and offer prices in a stack manager software, wherein the determined bid price and offer price that is provided is from the list, and wherein an underlying currency and an offered currency are each associated with the bid and offer price for a good or service, further comprising linking the bid and offer price for a good or service that has the underlying currency and the offered currency to a foreign exchange manager software, and converting the value of the underlying currency to the offered currency using the foreign exchange manager software.

Potter teaches comprising: maintaining a list of determined bid prices and offer prices in a stack manager software, wherein the determined bid price and offer price that is provided is from the list, and wherein an underlying currency and an offered currency are each associated with the bid and offer price for a good or service, further comprising linking the bid and offer price for a good or service that has the underlying currency and the offered currency to a foreign exchange manager software, and converting the value of the underlying currency to the offered currency using the foreign exchange manager software (see abstract, Figures 16-18, 22 and 24).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Potter to have an automated system that exchanges currency because automation of currency exchange is less labor intensive as the manual system as taught by Potter (see column 2, lines 35-41).

46.   As per claim 12, May, Himmelstein and Potter teach the method of claim 11 as described above. May does not explicitly teach wherein changes in the relative value of the underlying currency and the offered currency are compensated for in the conversion of the value of the underlying currency to the offered currency.

Potter teaches wherein changes in the relative value of the underlying currency and the offered currency are compensated for in the conversion of the value of the underlying currency to the offered currency (see column 8, lines 6-18).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Potter and update currency rates and conversions periodically because the rates are constantly changing and the user needs the most updated rates to make a decision to buy or sell as taught by Potter (see column 8, lines 6-18).

47.   As per claim 42, May teaches the method of claim 41 as described above. May does not explicitly teach wherein the stack manager software is capable of linking the list of determined bid prices and offer prices for one good or service with the list of determined bid prices and offer prices for another good or service, further comprising determining the determined bid price and offer price for the first good or service in response to changes in determined bid prices and offer prices for a second good or service.

Potter teaches wherein the stack manager software is capable of linking the list of determined bid prices and offer prices for one good or service with the list of determined bid prices and offer prices for another good or service, further comprising determining the determined bid price and offer price for the first good or service in response to changes in determined bid prices and offer prices for a second good or service. (see column 14, lines 54-63).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May and Potter to allow orders to be linked and dependent on each other because it allows for a profit and loss analysis

based on the difference in price of two goods as taught by Potter (see column 14, lines 64-67 and column 15, lines 1-3).

48.   As per claim 46, May teaches the device of claim 44 as described below. May does not explicitly teach device wherein an underlying currency and an offered currency are each associated with the bid and offer price for a good or service, further comprising linking the bid and offer price for a good or service that has the underlying currency and the offered currency to a foreign exchange manager software, and converting the value of the underlying currency to the offered currency using the foreign exchange manager software.

. Potter teaches the device wherein an underlying currency and an offered currency are each associated with the bid and offer price for a good or service, further comprising linking the bid and offer price for a good or service that has the underlying currency and the offered currency to a foreign exchange manager software, and converting the value of the underlying currency to the offered currency using the foreign exchange manager software (see abstract, Figures 16-18, 22 and 24).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Potter to have an automated system that exchanges currency because automation of currency exchange is less labor intensive as the manual system as taught by Potter (see column 2, lines 35-41).

49.   Claims 32, 33, 44, 45, 47, 48, 50, and 54-58 and rejected under 35 U.S.C.

103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 (see attached PTO-

892, Ref. A).

50.   As per claim 32, May teaches the method of claim 30 as described above. May

does not explicitly teach wherein a quantity is specified for the particular good or

service, and wherein the second bid and offer is adjusted before being displayed so that

the price of a prior trade becomes the midpoint of the price between the bid and offer for

a next trade. These steps are business choices and practices (e.g., stock prices are

changing second by second based on the bid/offer of the dealers and how much

profit/loss they a willing to accept).

It would have been obvious at the time the invention was made to a person of

ordinary skill in the art to modify the disclosure of May and include spread as midpoint

and wherein the next-determined bid price an doffer price for a good or service is

selected as the value of a last-transacted bid or offer price of that good or service plus

or minus an offset to establish as market price with smallest price difference between

the buy and sell price to allow more traders to use the invention.

51.   As per claim 33, May teaches the method of claim 30 as described above. May

does not explicitly teach wherein a quantity is specified for the particular good or

service, and wherein the second bid and offer is adjusted before being displayed so that

the bid or offer of a prior trade plus an offset becomes the price for the bid or offer,

respectively, for a next trade. These steps are business choices and practices (e.g.,

stock prices are changing second by second based on the bid/offer of the dealers and

how much profit/loss they a willing to accept).

It would have been obvious at the time the invention was made to a person of

ordinary skill in the art to modify the disclosure of May and include spread as midpoint

and wherein the next-determined bid price an doffer price for a good or service is

selected as the value of a last-transacted bid or offer price of that good or service plus

or minus an offset to establish as market price with smallest price difference between

the buy and sell price to allow more traders to use the invention.

52.   As per claim 44, May teaches a computer readable program storage device

comprising:

maintaining a list of determined bid and offer prices using a stack manager

software module, wherein the stack manager software module allows a party to edit,

view and control the list (see Figure 2, item 38);

transmitting a best determined bid price and offer price for the good or service

over the computer network to a plurality of counterparties, a quantity, amount or volume

being associated with the best-determined bid price and offer price (see Figure 2, item

62);

receiving a signal from a counterparty over the computer network interpreting the

signal as an offer to sell or an offer to buy a good or service; evaluating the offer to buy

to determine whether the counterparty's credit limit would be exceeded if the offer were accepted (see Figure 1); and

May does not explicitly teach buying the good or service from or selling the good or service to the counterparty at the best determined bid price and offer price, respectively, without human intervention. It would have been obvious at the time of the invention to a person of ordinary skill in the art that May's system clearly discloses that his process is software driven which means it can perform certain tasks without human intervention.

Therefore, it would have been obvious at the time of the invention to a person of ordinary skill in the art to modify May's system to include an automatic system using batch and queues to allow the system to execute the orders without human intervention.

53.   As per claim 45, May teaches the device of claim 44 as described above. May further teaches the device comprising:

after completing the transaction with the counterparty, transmitting and displaying the next determined bid price and offer price that is on the list so that a next determined bid price and offer price is displayed to the plurality of counterparties nearly immediately (see Figure 16 and column 53, lines 4-39),

wherein the stack manager software provides an interface and capability to the party for creating, viewing and editing the list of determined bid prices and offer prices and associating a volume or quantity for each determined bid price and offer price for each good and/or service (see Figure 16 and column 53, lines 4-39), and

wherein the counterparties can see the best determined and offer bid price but not the next determined bid and offer price (see Figure 16 and column 53, lines 4-39).

54.   As per claim 47, May teaches the method comprising:

establishing a set of parameters for a plurality of products for standardizing each of the products so that the products can be bought and sold as fungible commodities (see column 18, lines 43-58);

transmitting the set of parameters to the counterparties over the computer network (see Figure 2, item 62, Figures 15-17, 22 and column 9, lines 27-37);

determining a bid price and an offer price for a quantity, volume or amount of each of the products (see Figures 15-17, 22 and column 9, lines 27-37);

standing ready to buy at the bid price or sell at the offer price each of the products (see Figures 15-17, 22 and column 9, lines 27-37);

communicating the determined bid price and offer price for each of the products to the plurality of counterparties over the computer network (see Figure 2, item 62 and Figures 15-17, 22 and column 9, lines 27-37);

receiving an offer to sell at the determined offer price or an offer to buy at the determined bid price the determined quantity, volume or amount of one of the products from one of the counterparties (see column 11, lines 23-34 and column 14, lines 9-13);

using a computer software adapted to receive and evaluate whether to accept the offer (see Figures 15-17, 22 and column 9, lines 27-37).

May does not explicitly teach accepting the offer without human intervention. It would have been obvious at the time of the invention to a person of ordinary skill in the art that May's system clearly discloses that his process is software driven which means it can perform certain tasks without human intervention.

Therefore, it would have been obvious at the time of the invention to a person of ordinary skill in the art to modify May's system to include an automatic system using batch and queues to allow the system to execute the orders without human intervention.

55.   As per claim 48, May teaches the method of claim 47 as described above. May further teaches wherein the counterparties can only buy from or sell to the party (see Figure 1).

56.   As per claim 50, May teaches the method of claim 47 as described above. May further teaches further comprising determining a bid price and an offer price for a product with reference to a hub, wherein the hub is a physical location (see column 17, lines 48-59).

57.   As per claim 54, May teaches the method of claim 47 as described above. May further teaches wherein the computer network is the internet, and the party provides a website through which the counterparties can buy from or sell to the party, and wherein the counterparties cannot buy from or sell to each other, and the counterparties cannot buy from or sell to a third party (see Figure 1).

58.   As per claim 55, May teaches the method of claim 47 as described above. May

further teaches comprising evaluating the financial condition of a potential counterparty,

wherein evaluating whether to accept an offer includes determining a credit risk in

accepting an offer. (see column 35, lines 25-33 and 39-42 and column 48, lines 3-41).

59.   As per claim 56, May teaches the method of claim 47 as described above. May

further teaches wherein the commodities include price-risk-management services for

specific goods (see column 1, lines 48-50 and column 18, lines 14-26)

60.   As per claim 57, May teaches the method of claim 56 as described above. May

further teaches comprising a first counterparty signaling over the computer network its

acceptance of a swap in which the first counterparty and the party agree to a financial

arrangement that effectively fixes the price for a good for a period of time, wherein

money is exchanged between the first counterparty and the party as a part of the swap,

but the good is not exchanged between the first counterparty and the party as a part of

the swap (see column 20, line 62-64 and column 22, Table 1, Parameter "Settle").

61.   As per claim 58, May teaches the method of claim 57 as described above. May

further teaches comprising a second counterparty signaling over the computer network

its acceptance of a cap or floor in which the second counterparty and the party agree to

a financial arrangement that sets a maximum or minimum price, respectively, for a good

for a period of time for an amount or quantity of the good, wherein the second

counterparty pays money to the party in exchange for the cap or floor. (see column 18, lines 16, 46 and column 19, lines 42-46).

62.   Claim 13 rejected under 35 U.S.C. 103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 (see attached PTO-892, Ref. A) in view of Himmelstein, U.S. Patent Application Publication 2002/0032643 (see attached PTO-892, Ref. G) and in further view of Keith, U.S. Patent Application Publication 2001/0042040 (see attached PTO-892, Ref. D).

63.   As per claim 13, May and Himmelstein teach the method of claim 1 as described above. May does not explicitly teach wherein a counterparty may establish an acceptable price range so that if a determined bid price and offer price becomes unavailable during transmission of the signal, a transaction can still occur if a next determined bid price and offer price is within the acceptable price range.

Keith teaches wherein a counterparty may establish an acceptable price range so that if a determined bid price and offer price becomes unavailable during transmission of the signal, a transaction can still occur if a next determined bid price and offer price is within the acceptable price range (see paragraph 65).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Keith and allow traders to place limit orders which will not execute until a certain price to buy or

sell is achieved because it allows the trader to maximize profit or minimize loss as

taught by Keith (see paragraph 65).

64.   Claims 17-19 and 51-53 rejected under 35 U.S.C. 103(a) as being unpatentable

over May, U.S. Patent No. 6,317,727 (see attached PTO-892, Ref. A) in view of

Himmelstein, U.S. Patent Application Publication 2002/0032643 (see attached PTO-

892, Ref. G) and in further view of Sandhu et al., U.S. Patent Application Publication

2003/0033212 (see attached PTO-892, Ref. F).

65.   As per claim 17, May and Himmelstein teach the method of claim 1 as described

above. May does not explicitly teach wherein a contractual framework between the

party and a counterparty for transacting in one or more goods or services is determined

by an agreement, wherein the party requires an authorized signature for the

counterparty on only a single-sheet document.

Sandhu teaches wherein a contractual framework between the party and a

counterparty for transacting in one or more goods or services is determined by an

agreement, wherein the party requires an authorized signature for the counterparty on

only a single-sheet document. (see Figure 83, and paragraphs 202, 966 and 967).

Therefore, it would have been obvious to a person of ordinary skill in the art at

the time of the invention to combine the teachings of May, Himmelstein and Sandhu and

have parties sign agreements before engaging in transactions because the agreements

govern the rules of engagement, rate sources, confirmation and settlement procedures as taught by Sandhu (see paragraph 202).

66.   As per claim 18, May, Himmelstein and Sandhu teach the method of claim 17 as described above. May does not explicitly teach wherein the single-sheet document is a password application, and wherein the agreement includes the terms of an electronic trading agreement that is displayed through the computer network.

Sandhu teaches wherein the single-sheet document is a password application, and wherein the agreement includes the terms of an electronic trading agreement that is displayed through the computer network. (see Figure 83, and paragraphs 202, 966 and 967).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Sandhu and have parties sign agreements outlining terms of electronic trading displayed through a computer network because the agreements govern the rules of engagement as taught by Sandhu (see paragraph 202).

67.   As per claim 19, May, Himmelstein and Sandhu teach the method of claim 18 as described above. May does not explicitly teach wherein the agreement further includes terms and conditions for each good or service bought or sold, further comprising transmitting and displaying the terms and conditions to the plurality of counterparties.

Sandhu teaches wherein the agreement further includes terms and conditions for each good or service bought or sold, further comprising transmitting and displaying the

terms and conditions to the plurality of counterparties. (see Figure 83, and paragraphs 202, 966 and 967).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Sandhu and transmit and display the terms and conditions to the plurality of counterparties because the terms and conditions govern the rules of engagement as taught by Sandhu (see paragraph 202).

68.   As per claim 51, May teaches the method of claim 47 as described above. May does not explicitly teach establishing contract terms with each counterparty before a counterparty can make an offer, wherein a contractual framework between the party and a counterparty for transacting in one or more products is determined by the contract terms.

Sandhu teaches establishing contract terms with each counterparty before a counterparty can make an offer, wherein a contractual framework between the party and a counterparty for transacting in one or more products is determined by the contract terms (see Figure 83, and paragraphs 202, 966 and 967).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May and Sandhu and transmit and display the terms and conditions to the plurality of counterparties because the terms and conditions govern the rules of engagement as taught by Sandhu (see paragraph 202).

69.   As per claim 52, May teaches the method of claim 51 as described above. May does not explicitly teach wherein the contract terms include a password application that the counterparty submits to the party in order to gain access to the computer network in which the determined bid price and offer price are provided, and wherein the password application incorporates the terms of a trading agreement.

Sandhu teaches wherein the contract terms include a password application that the counterparty submits to the party in order to gain access to the computer network in which the determined bid price and offer price are provided, and wherein the password application incorporates the terms of a trading agreement (see paragraph 895).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May and Sandhu and password protect the invention because it allows only members to access the website as taught by Sandhu (see paragraph 895).

70.   As per claim 53, May and Sandhu teach the method of claim 52 as described above. May does not explicitly wherein the trading agreement includes terms and conditions for each bought or sold, further comprising transmitting the trading agreement over the computer network.

Sandhu teaches wherein the trading agreement includes terms and conditions for each bought or sold, further comprising transmitting the trading agreement over the computer network (see Figure 83, and paragraphs 202, 966 and 967).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May and Sandhu and transmit and display the terms and conditions to the plurality of counterparties because the terms and conditions govern the rules of engagement as taught by Sandhu (see paragraph 202).

71.   Claim 28 rejected under 35 U.S.C. 103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 (see attached PTO-892, Ref. A) May, U.S. Patent No. 6,317,727 (see attached PTO-892, Ref. A) in view of Himmelstein, U.S. Patent Application Publication 2002/0032643 (see attached PTO-892, Ref. G) and in further view of Cornelius et al., U.S. Patent No. 7,069,234 (see attached PTO-892, Ref. E).

72.   As per claim 28, May and Himmelstein teach the method of claim 1 as described above. May does not explicitly teach wherein the determined bid and offer prices are updated and/or displayed using streaming video technology.

Cornelius teaches wherein the determined bid and offer prices are updated and/or displayed using streaming video technology. (see column 197, lines 34-42).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of May, Himmelstein and Cornelius and use streaming video to deliver content to the trader because it is fast and provides the most impact to the user in a timely manner as taught by Cornelius (see column 197, lines 34-42).

Conclusion

Any inquiry concerning this communication or earlier communications from the
examiner should be directed to Shahid R. Merchant whose telephone number is 571-
270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's
supervisor, Patrick Nolan can be reached on 571-272-0847. The fax phone number for
the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the
Patent Application Information Retrieval (PAIR) system. Status information for
published applications may be obtained from either Private PAIR or Public PAIR.
Status information for unpublished applications is available through Private PAIR only.
For more information about the PAIR system, see http://pair-direct.uspto.gov. Should
you have questions on access to the Private PAIR system, contact the Electronic
Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a
USPTO Customer Service Representative or access to the automated information
system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

SRM

PATRICK J. NOLAN, PH.D.
SUPERVISORY PATENT EXAMINER
12/19/06